

December 3, 2001

TRADE AND AMERICA'S FARMERS AND RANCHERS

“The world needs what American farmers produce – and the world suffers when protectionists build artificial barriers against our country’s farm products.”

–President Bush

- Trade Promotion Authority will help the United States to pursue – and complete – trade agreements that will open new markets for U.S. agricultural products.
- The global trade negotiations launched in Doha, Qatar on November 14 will enable us to pursue fundamental reforms to achieve a fair and market-oriented world agricultural trading system.
- America’s farmers and ranchers are the most competitive in the world. Keeping the world’s markets open to trade is critical for their continued competitiveness:
 - Ninety-six percent of the world’s consumers live outside the United States
 - One in every three U.S. acres is planted for export
 - Nearly 25 percent of gross cash sales are generated by exports, while some products – such as almonds, cattle hides, and walnuts – rely on overseas markets for more than half of their total sales.
 - U.S. agricultural exports support 765,000 American jobs.
 - U.S. farmers are 2 ½ times more reliant on trade than the rest of the economy
- Trade agreements benefit America’s farmers and ranchers:
 - Since the passage of NAFTA in 1993, U.S. agricultural exports to Mexico have doubled.
- Agriculture is the most distorted sector of the global economy, and thus the most in need of trade liberalization. The new global trade negotiations will address these distortions.
 - Tariffs on manufactured goods decreased 90 percent over the past 50 years – agricultural tariffs barely budged.
 - The average agricultural tariff permitted is over 60 percent; for non-agricultural goods it is four percent.

- Trade Promotion Authority is needed to expedite – and eventually complete – the global trade negotiations.
 - We agreed on the key objective of aiming to phase out all export subsidies;
 - We will negotiate substantial new improvements in market access;
 - And we will target substantial reductions in domestic support if it is trade-distorting.
 - Moreover, we remain on the offensive against disguised barriers to trade through SPS measures.
- The negotiations can help level the playing field for American farmers and ranchers. The European Union dispenses 75 times more in agricultural export subsidies than does the United States.
- U.S. negotiators need to move immediately to forge coalitions and eventually consensus on proposals that will guarantee ambitious results.
 - To meet the March 2003 deadline of agreeing with our trading partners on the extent to which they will reduce export subsidies and barriers to market access, we will need an active, collaborative strategy with the Congress to develop U.S. proposals and a subsequent campaign to garner their acceptance internationally.
- Moving forward on the Doha agenda, and a broader agenda of trade liberalization, will give consumers and companies more choices, and lower prices, for virtually all agricultural products. People with lower incomes, in the United States and throughout the world, will be among the biggest beneficiaries of the reduced prices.